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It's Show Time!

Marketing News

Singapore Market Opens For Frozen U.S. Pork

The **U.S. Meat Export Federation (MEF)** is encouraging U.S. pork exporters to take a serious look at the Singapore market. Last March, the government announced plans to phase out domestic pork production by 1989 because of the high cost of treating excessive waste from pig farms. This has created new sales opportunities for frozen U.S. pork.

According to Foo Meng Hian, MEF's representative in Singapore, the country now imports about \$16.6 million of pork, primarily for processing. Major suppliers are Sweden and Denmark. "The market here is wide open to the U.S. company with the most dynamic and imaginative plans" says Foo. "At stake is a market that in 1983 was worth \$168.9 million with no import duties or other government restrictions."

The Singapore government plans a major promotional campaign for frozen pork as of January 1985. This campaign will include television and other mass media advertising, placement of product displays throughout the country and product tastings and cooking demonstrations.

MEF has supplied information about U.S. pork products and U.S. pork industry technology to the government. MEF also has stepped up its hotel/restaurant/retail efforts in Singapore, in addition to passing trade leads and other market information back to the United States. MEF will participate in a major trade show and host an industry seminar in January. There is also a possibility of trade team visits between the United States and Singapore.

Other countries are moving to get a share of the Singapore market. Australia, Canada and Taiwan have sent government and private sector trade missions to Singapore to explore market opportunities. One Australian supplier is planning to airship trial samples of prepackaged, chilled pork to Singapore early next year, and frozen pork and shipments of ham are already arriving from China.

Singapore Consumers Say "Yes" to U.S. Soybean Oil

With technical assistance from the **American Soybean Association (ASA)**, a U.S. company (AceMark) has developed a 100-percent soybean cooking oil, called Soyelite, for the Singapore market. To convince Singapore consumers, who traditionally cook with palm oil, that Soyelite was a good choice for cooking, ASA and the company promoted it through cooking demonstrations, supermarket displays and recipes. Newspaper ads described Soyelite's premium qualities.

In little more than a year, Soyelite has won markets for U.S. soybean farmers, gaining 2 percent of Singapore's cooking oil market. Based on this success, the U.S. company is trial marketing Soyelite in Malaysia, a major producer of palm oil. The marketing may also be extended to Hong Kong.

Possible Expansion in Far Eastern Barley Markets

Taiwan and Japan already are two important purchasers of U.S. barley, but they could become even bigger markets if the United States makes a concerted effort to promote barley exports, according to a **U.S. Feed Grain Council (USFGC)** trade team that recently visited those two markets.

In Taiwan, the team found that the United States is the leading barley supplier, but that work is needed to hold on to that lead. Should Australia renew its aggressive promotional tactics, the U.S. market share could be endangered, according to a team member. What is needed, says USFGC, is continued and expanded personal contact between U.S. sellers and buyers in Taiwan.

In Japan, Canada—the top supplier—is often able to beat the U.S. price. As a result, the Japanese Food Agency, which controls barley imports, tends to opt for Canadian barley although the industry prefers U.S. barley. The team concluded that to take over the top supplying position, price competitiveness and development of a strong relationship with the food agency needs to be emphasized. Such efforts are already underway, and U.S. sales of barley to Japan are considerably higher than last year, according to the USFGC.

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It's Show Time!



By Aubrey Robinson

Are international trade shows worth the effort to make extra sales and gain a foothold in export markets? Are the frenzied advanced preparations, the 18-hour days and long hours on your feet really worth it?

You bet they are. That is the word from veterans and newcomers alike who have been involved with overseas trade shows.

In this issue, a series of interviews from the floor of exhibition halls plus other reports from trade show participants and coordinators give you a first-hand insight on what a show is really like.

You can gain important information on how to get started, what you need to know, who to contact, how many samples you should take to the show, etc. In short, you get a bearing on how to achieve your goals.

You also learn some of the pitfalls of show business. Oldtimers quickly point out that newcomers should not expect big and immediate results.

Although the actual show usually lasts only a few days or a week at the most, the commitment is long term and the payoff is in long-range contacts. Contacts eventually translate into more contacts—and more sales.

Those long hours will be rewarded as you see your export sales and your business grow over the years. Prepare, present and followup are the keys to success.

Shows Set for 1985

USDA's Foreign Agricultural Service will sponsor U.S. exhibitors at the many international shows during 1985.

One of the early shows on next year's calendar will be FOODEX, held at the Harumi Pier in Tokyo. This is the most popular trade-only food show in the Orient. It is an old-standby for many food exporters.

In April comes the National Food and Agriculture Exposition in Kansas City (See story, page 7). USDA co-sponsors this food show with the National Association of State Departments of Agriculture.

Several specialized shows follow. Then October brings ANUGA, in Cologne, Germany, which is one of the most popular food trade shows in the world.

Below is a listing of some major shows on tap in 1985. For more information on these shows and on exporting in general, a good starting point is to contact your State Department of Agriculture. You can also contact the Export Programs Division, Room 4945 South Building, USDA, Washington, D.C. 20250 or phone (202) 447-3031. ■

Show	Location	Dates
I.F.E.	London	Feb. 25-Mar. 11
FOODEX	Tokyo	March 11-15
EXPICA	El Salvador	May (Central American Livestock Show)
NASDA	Kansas City	April 22-24
ROKA	Utrecht	September
ANUGA	Cologne, W. Germany	Oct. 12-17
Verona	Italy	To be announced

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Do Your Homework, Then Pursue Sales Contacts

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An Interview with Robert Francis

Q: Many of the exhibitors here have been somewhat surprised at the scale of SIAL. Would you elaborate a little about the size of this show—and the U.S. presence here?

Francis: SIAL was the largest show in Europe this year. In 1985, the big show will be ANUGA, held in Cologne, Germany. The two shows are held in alternate years. Both shows typically draw well over 200,000 visitors from approximately 120 countries.

The 1984 SIAL show included roughly 3,000 firms—2,000 French and 1,000 foreign—exhibiting 100,000 products on stands spread out through seven buildings. There were 49 national pavilions.

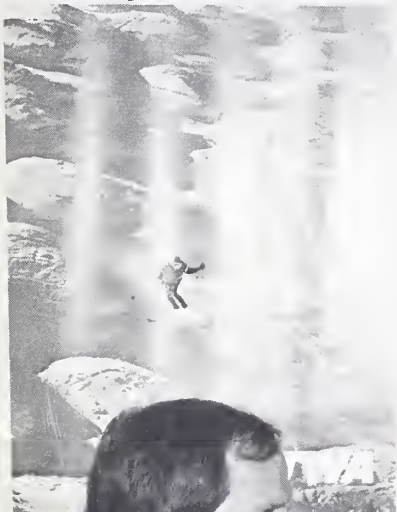
The U.S. Pavilion, which covered an area of 1,300 square meters, represents the largest U.S. participation in SIAL since this international food fair first began in 1962.

I'm pleased with the expanded scale of the U.S. exhibit. It's important to remember that trade shows are the way much of the world does business. In the United States, sellers travel to the market. In many other part of the world, the market comes to you. If we hope to capture a larger share of the world's business, we have to have a strong presence at these international shows.

Q: Your vantage point for international trade shows is somewhat different from that of the exhibitors. Would you tell me what you consider the essentials for success in one of these shows?

Francis: First, I think it's very important that exhibitors do their homework before they come over to one of these exhibits. They should have an idea of the market structure in the various countries and know what to expect when they arrive. They should be

SKIING THE ROCKIES



KANSAS CITY



prepared to quote prices and have samples for demonstration. It's also important to have someone in the booth at all times who is prepared to take orders.

Exhibitors should plan to be at their stand just about continuously. If traders come by and find an exhibit untended, they lose interest because they feel the exhibitor has no real interest in being there.

Also, it's important to come to these shows adequately prepared. That means having enough product literature, not just in English but also in the language of the target markets.

Q: What do exhibitors expect to get out of these shows, as a rule?

Francis: The objective of most exhibitors, at least at their first show or two, is to make good, concrete contacts which they can follow up when they get back in the States.

Other exhibitors, usually ones who have been exporting for a while, want to demonstrate to foreign buyers their continued interest in the marketplace. They want to impress buyers, and their competition too, with their presence.

Q: The subject of followup comes up time and again in talks with exhibitors. Do you have any advice to pass along on this topic?

Francis: Yes, it's crucial to follow up on all contacts immediately—and repeatedly. Don't be discouraged if you have to go back to a buyer two or three times before getting a sign of concrete interest.

Q: How do you view our prospects for selling value-added agricultural products in a market like Europe, which has a very sophisticated processing system of its own? Do you think we can be successful here?

Francis: Definitely, if we focus on offering new and different items. That is the main interest in the market right now.

There are many U.S. companies with new or unusual food products that would probably do well here. We need to enlist more of these companies in the exhibition program. But it's very important that when you come into a show like this, that you are prepared to follow up on the contacts and are able to fill their orders.

Even at this SIAL show, we've had a number of new companies that have never exported before. I've spoken with some of them and while they are taking orders, they feel there's a possibility they will not be able to fill the demand.

While it's nice to be overwhelmed with business, no one wants to disappoint a client. That's why doing your market homework is the crucial part of participation in these shows. ■

The interviewee was the show coordinator in Paris for the U.S. Pavilion at SIAL in June 1984. Earlier this year he retired from USDA's Foreign Agricultural Service where he had worked for almost 42 years, and had directed exhibitions in more than 60 countries.

NASDA Show in Kansas City Opens Doors to Overseas Markets

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By Ed Heslop

Many American agricultural marketers may be missing out on a vast potential of export sales, primarily because of being turned off by the initial costs of traveling overseas to display their product line.

Three days in Kansas City can change all that.

The second biennial NASDA National Food and Agriculture Exposition, scheduled for April 22-24, 1985, in downtown Kansas City, Mo., offers U.S. firms an inexpensive way to reach hundreds of foreign buyers without going overseas. It is an excellent avenue for U.S. companies to broaden their marketing base in a space of just a few days.

The first National Food and Agriculture Exposition ever held in the United States was staged in Atlanta in May 1983, and its success points to an even bigger show in Kansas City next spring.

U.S. exhibitors will get the chance to introduce their products to an audience of foreign buyers being invited from about 80 countries. The show is designed to promote the export of high-value products of the food, seed, nursery and forest products industries in the United States.



The Exposition is jointly sponsored by the National Association of State Departments of Agriculture (NASDA) and the Foreign Agricultural Service (FAS) of USDA.

Importance of the Show

The terms "high-value" and "value-added" are still relatively new to U.S. agriculture. Traditionally, export promotion of agricultural products has concentrated on bulk commodities.

In 1982, the portion of the world's trade in high-value and value-added was roughly \$95 billion. The U.S. share of this market was approximately 14 percent.

FAS is working with the export community to enlarge the U.S. share of this trade to 20 percent of the anticipated market by 1990.





FAS Puts Word Out Overseas

Overseas promotion of the show is being handled by FAS through its offices located in more than 70 countries.

For some time FAS personnel overseas have been contacting foreign buyers, encouraging them to include Kansas City on their 1985 calendar of events.

FAS offices overseas are kept abreast of the companies and products to be exhibited. FAS trade officers use this information to keep potential foreign buyers informed about products they can sample at the show.

The first NASDA Expo in Atlanta drew about 1,000 foreign buyers from 76 countries. It attracted some 415 exhibitors from 42 states and Puerto Rico. Many of these exhibitors gained their first exposure to an international food show, and about 90 percent of all participants in the 1983 show indicated that they may be back next year in Kansas City.

For more information on the upcoming show, contact Farrell Higbee at NASDA Headquarters, 1616 H Street, N.W., Washington, D.C. 20006. Tel. (202) 628-1566. ■

The author is with the Export Programs Division, FAS. Tel. (202) 475-3418.

The Exposition in Kansas City plays a key role in enhancing exports of an important segment of the U.S. agricultural industry, especially the sales of smaller companies that have not entered the export market because of the expense of going overseas.

Scope of the Show

The Kansas City show will boast an estimated 550 U.S. companies ready to serve the expected influx of 1,500 to 1,800 foreign buyers. The overriding feature of the show is that it is geared solely for these buyers to meet with U.S. food and agricultural companies.

This specific focus and the limited admission policy create a business atmosphere in which buyers can move freely and quickly cover the booths of all the U.S. exhibitors.

In addition to rows upon rows of exhibits, the exposition will have seminars on food-related topics, demonstrations on food preparation and a reception for buyers and sellers. Outside tours of agricultural and food facilities are also on tap for the foreign visitors.

A new feature added to the Kansas City format will be exhibits of nursery stock and forestry products as well as the usual myriad of products representing a cross-section of U.S. agriculture.

Unique Food Show Provides a Chance To Sell and a Chance To Learn

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By Edmund M. Paige

With the second U.S. International Food Show (USIFS) now a page in history, the Eastern United States Agricultural Food Export Council (EUSAFEC) has proved that its international food show, involving both importers and exporters, can be successful in the United States.

This food show is unique for the United States because it caters to all corners, importers and exporters alike. Other U.S. shows are different—the Fancy Food Show emphasizes imports; the NASDA show is strictly for exporters; the Food Marketing Institute's exhibition is oriented toward supermarkets; and the National Restaurant Association's show is aimed at restaurateurs.

EUSAFEC's food exhibition—scheduled every other year in New York City—hosted over 12,000 visitors, most of them buyers, and did around \$10 million of business with 570 exhibitors from 15 countries.

International food shows are not a new concept; they were common even in ancient times. But for a variety of reasons they never caught on in the United States until recently. The U.S. attitude was pretty much one of going overseas to contact buyers individually or of going to foreign trade shows in Europe, where food exhibitions have become practically an art form.

EUSAFEC, a regional export development group made up of 10 northeastern states, countered the skepticism several years ago and introduced USIFS, showing that international food exhibitions in the United States might just be an idea whose time has come.

New Exhibitors Can Learn What Makes International Food Shows Tick

USIFS appeals to domestic buyers, as well as foreign buyers recruited from all parts of the world. That is a big plus to exhibitors, especially the smaller ones who may be reluctant to venture into international waters in fear that profits may be eaten up by the cost of exhibiting.



USIFS gives smaller businesses a chance to get their feet wet, make some contacts, make some international sales, and, perhaps most important, get a firsthand introduction to the competition.

Foreign competitors are frequently seasoned veterans who may have written the book on how to sell food products. They know how to prepare sophisticated exhibit booths to show their line of goods to the best possible advantage and attract the most customers.

Potential U.S. exhibitors sometimes think that all they have to do is show up with their food, and customers will beat a path to their cash register. Learning otherwise can be a humbling but valuable lesson.

Sales Beget Sales

The educational process works both ways. In his keynote address at the opening of the last USIFS, the Prime Minister of Jamaica, Edward Seaga, remarked that the United States is both the world's leading producer and the world's leading marketplace. He said that Jamaica took a space at the show to learn more about the U.S. marketplace.

Of course, the more Jamaica sells to the United States, the more foreign exchange it earns to help buy from the United States.

The next EUSAFEC food exhibition is scheduled for the spring of 1986 in New York City. For more information contact Edmund Paige, EUSAFEC, Telephone: (212) 432-0020.

Potential exporters on the West Coast can catch the show in December 1985 when Andry Montgomery, Ltd., USIFS contract operator, takes the show to Los Angeles. For more information contact Gerry Parker, Andry Montgomery, Ltd., Telephone: (415) 381-8206. ■

The author is the Executive Director of the Eastern United States Agricultural and Food Export Council in New York City. Tel. (212) 342-0020.

Follow Up Your Leads



Companies that have seen us at previous exhibits see us here again and are reminded of our products—and of our ongoing commitment to the foreign buyer.

Perhaps the first time around they didn't believe in our message—they didn't believe that we were seriously interested in exporting. But then they see us at a second or third show, and they begin to sense we are serious.

It's a big mistake in my opinion for a company to view an international exhibit as a one-time affair and to expect immediate success.

International trade is built on long-term development, long-term participation. Continuity in the marketplace, and the international showplace, is essential to export success.



An Interview with E. Anthony Brea

Q: What has been your background in international shows?

Brea: In one way or another I have been involved with international exhibits for 14 or 15 years. If you put that in terms of food shows I've worked with, I would say I've been in 40 to 50 shows.

Q: As a veteran, what advice would you pass on to newcomers to international exhibiting? What should they do to have a successful show?

Brea: That's a difficult question—because different companies and different individuals define success in different ways.

What do you want to get out of the exhibit? Are you there to try to get immediate business? Are you there to gather market information? Are you there to make long-term and long-range contacts? You must know the answers to these questions before you arrive at a show. You must define your objectives.

Obviously, all of us at an exhibit have the same long-term goal—to increase our business. But there are different avenues and different approaches we can take to achieve this objective.

Q: What kind of goal do you set for yourself when participating in a large international exhibit?

Brea: Probably the most important overall purpose my company, Pet Inc., has in being here is to increase our visibility—and to demonstrate "continuity"—in the international marketplace.

Q: At these international shows, it seems that your contacts with potential buyers are rather fleeting. How do you manage to get your message indelibly imprinted on the mind of a buyer when you don't have a lot of time?

Brea: The answer to that is very simple—you don't. There's no way you can make an unforgettable impression in the brief time you spend with most buyers.

The key thing at any of these shows is followup. And that's an area in which many U.S. firms fumble the ball. It's halftime, you think you're ahead, and then you don't follow through on the delivery. You don't follow through with your messages.

Many firms will send out one or two letters to the people they contact at a show. But when they don't receive a reply, they say, "Well, that's that!" and they don't continue to follow up.

At Pet International, we follow up with firms as late as three years after an exhibit. A firm that may not have been originally receptive can change its mind. As long as you continue to pursue a lead, there is always that possibility.

I am not saying that one should indiscriminately continue mailouts, because obviously we all have budget and time limitations in that regard. But where you have had a lead that you thought was viable, I recommend pursuing it.

Don't forget, you are probably going to see this person again at the next big international show. And if you maintain the contact, possibly you will be able to get your message across the next time around.

Q: How do you view the payoff from these international shows—do you think they generate enough sales to warrant their expense?

Brea: Obviously I think these shows are worthwhile or I wouldn't be here. They are certainly no fun—you stand on your feet at the show for 12 hours and then you meet with people afterwards and you end up putting in 18- or 19-hour days. However, from a business viewpoint, large international shows are an ideal way for a company to introduce itself or its products.

But remember what I said before: You shouldn't expect to take your message to a new market and expect immediate results.

Foreign buyers have to develop a trust in the fact that you are determined to be in that marketplace—and that you are willing to invest time and effort to get there. Only when they are assured of your continuity in the marketplace will they believe that it is worth their time and effort to promote your product and distribute it.

Another advantage of these international shows is that they give you a chance to test the reliability of your market research.

Sometimes you have preconceptions about a product and think this product is going to do real well in a particular market. You take that product there and make it the main focus of your thrust into that market—only to find, much to your surprise, that it was one of your other products that the customer was after.

I know some companies that have come to these shows and succeeded with products where their production wasn't even geared up to handle the success. They were caught by surprise. I guess that is part of the fun of marketing.

Q: Are there any lessons to be learned from the competition at these shows? Is it worthwhile, for example, to observe how other countries are marketing their products?

Brea: Absolutely, especially in markets like the European Community or Japan. Europe is extremely sophisticated in packaging and presentation. The European consumer expects much more from the packaging—and is willing to pay for it.

“ The key thing at any of these shows is followup. And that's an area in which many U.S. firms fumble the ball. ”

I think U.S. firms in general can learn quite a bit from strolling around the other national pavilions and observing what our foreign competitors are doing. Sometimes, in fact, it is a humbling experience.

But if you believe in your product, its price, its quality—if you believe that your product is competitive—an ideal place to test your belief is on the exhibit floor.

Q: What is your general reaction to the export market right now? Is this the moment for a new firm to get into exporting?

Brea: Sure it's a good time to get into exporting *IF* you are willing to be flexible.

I don't agree with the negative views expressed by some individuals in this business—that it is almost impossible to export U.S. agricultural products nowadays because of the strong dollar, pricing disadvantages and so forth.

What has happened is that markets have changed and product demands have changed.

I think a lot of U.S. companies started out selling simple agricultural products to the Third World countries. Now many of these markets have closed up as these countries have started their own industries or restricted imports in order to conserve foreign exchange.

To export today you have to have imagination. You need to look for new products within your range and new markets that are available.

The short-term situation that we have with the U.S. dollar is exactly that—short term. In the time that I have been personally involved with exports, I've seen the dollar go up and down. It's a cycle—we're in one phase of it now that affects us negatively. Possibly in a year or two, we'll see a weaker dollar that will help us.

Companies that are serious about exporting have to learn to ride out these cycles. There is good growth potential in this market for firms willing to make a long-term commitment. ■

The interviewee is Vice President for Exports, Pet Incorporated International Group, St. Louis, Mo. Company products demonstrated at the SIAL show ranged from liquid diet meals to frozen Mexican dinners. Tel. (314) 622-6370.

Be a Joiner

An interview with Mark Kacos

Q: What is your background in international shows, and what encouraged you to participate in this show?

Kacos: This is my first general food show overseas and I got interested in participating based on my conversations with other exporters and business people. All said that trade shows were one of the best avenues for finding new customers and exposing a product to new overseas markets.

Q: What are your usual sources for export leads and show information?

Kacos: We found out about this particular show from the Georgia Department of Agriculture.

I am also getting trade leads and show information through the Foreign Agricultural Service's AIMS services—specifically through the *Trade Leads* and *Export Briefs* mailings.

I find both these services very helpful. *Trade Leads* gives you an immediate notification of people looking for your particular product. And *Export Briefs* follows up on those leads about a week later. I like *Trade Leads* for its focusing aspect and *Export Briefs* because, in addition to specific trade leads, it also fills you in on upcoming trade shows and other export opportunities.

I also make a point of talking to both the U.S. Department of Commerce and the State of Georgia's Agriculture Department. The marketing people with the Georgia Department of Agriculture have been very helpful.

I also try to take advantage of any free counseling available. Georgia has a program connected with the university system, the International Trade Development Center, to help people who are involved in exporting. There you can meet with counselors, and they tell you what's going on; they make you aware of other programs and seminars. You can get a lot of information this way.

Q: What has been your reaction to this, your first international trade show?

Kacos: It's been very exciting—and at the same time rather a surprise for us. Sometimes what you think is going to be a best-seller and create the most interest, doesn't. We came over here heavily promoting one item, and our secondary line has been more interesting to a lot more people.

The overall show itself has been almost overwhelming. I'm glad I'm in the U.S. pavilion which is an island in itself that attracts interest from overseas buyers—in that they want to see what the U.S. people are doing.

It's hard to imagine how big this show is. It's seven huge buildings with multiple floors and there's room set aside

“
*The U.S. pavilion
 is an island in itself
 that attracts interest
 from overseas
 buyers.*
 ”

for every conceivable product—from confections to liquor to fish products. It's just a huge, huge show, and you really have to focus on what you are doing.

Q: Is there any advice you'd like to pass on to other newcomers to international exhibiting?

Kacos: First of all, I strongly recommend going the U.S. pavilion route, such as this one sponsored by USDA's Foreign Agricultural Service. This can save you a lot of money because the government will provide you with a well-put-together booth. You don't have to go out and buy a booth, which can

be very expensive. Also, if it's your first show, and you're lucky enough, sometimes your State government will subsidize a little of your booth rental.

Another thing I like about participating in a U.S. government-sponsored pavilion is that you really don't have to worry about freightforwarding and other problems dealing with shows, about how to get equipment and interpreters, and so on. It's all taken care of for you. You walk into a ready-made situation and it's a fantastic service.

But be prepared to do a lot of real hard work. Don't come over to a trade show expecting to see the sights. You're working 10 hours a day, on your feet the whole time. Wear comfortable clothes, business-like clothes but comfortable, and expect to work. You have to be on your toes.

I would not be concerned too much with bringing over a lot of samples. I've found that foreign visitors and suppliers at this show don't want in-hand samples and don't give out samples either. There's too much going on and there is too much to take home with them. So the show is meant really for making contacts and then for the followup.

I think a show like this is much better than trying to get leads through mailings. People see the product, they talk to you. You get a feel for how interested they are. You can pinpoint issues and go back and work them out at your own office. They'll ask you questions you never anticipated.

Because of the tremendous number of booths and product offerings, potential clients don't have much time to spend so you must be well versed and concise in your answers to their questions. It's a very quick type encounter, I have found.

Q: What kind of payoff are you anticipating from this show?

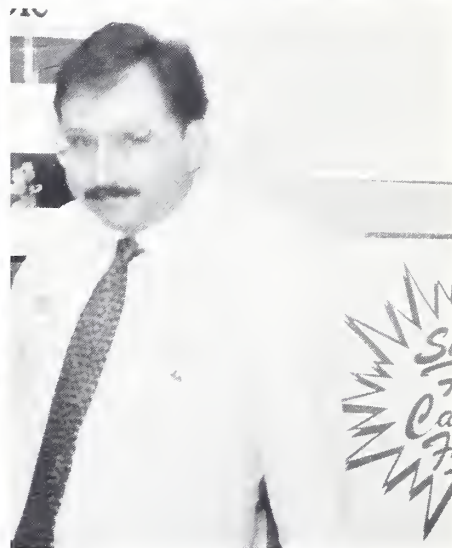
Kacos: We're here seeking to identify and select distributors for our all-natural candy line. We're not here to sell—instead we want to select the best positioned distributors for our products.



A lot of groundwork and negotiations need to be done. But we've generated a lot of interest at this show and we feel there's a market out there for our product.

We think this is a good time to start making contacts because there's so much you have to do to get a food product item properly launched. You have to get into the market early; don't anticipate quick sales. It's going to take at least a year before you really get rolling and get a payback on your investment. ■

The interviewee is the owner of the Nantucket Bay Trading Company, Inc., of Gainesville, Ga. Tel. (404) 536-4291. His main product line at this show was all-natural health food snacks.



Be Flexible



An interview with Marie Mahan

Q: What is your background in international shows, and what has been your reaction to this show?

Mahan: This is our first international show—and I never imagined its size, or the response we would get to our product.

We are a gourmet cookie company—and we ship many varieties of baked cookies and unbaked dough. Here in Europe, we are looking to sell dough to airlines, hotels and other institutions, and grocery chains—which, as in the United States, are beginning to set up in-store bakeries and baking right on the spot. And the buyers here have been very enthusiastic.



Q: Do you anticipate substantial sales to result from this show?

Mahan: Yes, I do, but I've also learned that selling overseas is very different from selling in the United States.

Other countries frequently are very strict on importing products with food preservatives or additives—and you should be aware of and able to comply with these ingredient restrictions. It was relatively simple for us because our products are all natural. We add no preservatives or colorings, and use only quality ingredients.

Another difference is that when I go to a show in the United States, buyers will purchase right on the spot. If they like a product, that's it, they buy it. In contrast, many sources here have told me that the French, for instance, will take a long time to make a decision. They want to go home, think it over, do market research. That means that following up on the contacts you make here is very important.

Also, I really need to learn more about the distribution system here before I can project sales. As I mentioned earlier, we sell our products to airlines and hotels and restaurants and grocery chains. In the States, we can reach most of these groups through a central location, but they don't appear to have that sort of distribution here. That's going to make marketing a lot more difficult.

Q: What kind of advice would you give to prospective exhibitors?

Mahan: Based on what I've learned from this show, I would make sure to have plenty of literature. We didn't know how much we should give out so we weren't prepared with enough information. Also, while we have literature available in French, next time I will definitely make sure to have it in Italian and German, as well.

We also have a translator in our booth—I think that is absolutely necessary because language is a very big barrier. I trained him on how to sell the product and he is able to speak French, Italian and German.

Lastly, if you are going to sell overseas, you should be prepared to tailor your product somewhat.

Here, for example, the French are very protective of their own producers and also they want to save on foreign exchange. Consequently, they discourage imports—through very, very high import taxes—of products that contain sugar and flour.

The French buyers I've talked to don't want me to ship my full product. They want me to ship in my product with maybe the shortening and the chocolate in it because they are interested in our chocolate. But they then want to put in their own sugars and flours, thus making the product less expensive.

“
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going to sell overseas
you should be
prepared to tailor your
product somewhat.”

Q: Have you had a chance to visit any of the other national pavilions here, and if so, what is your reaction to them?

Mahan: One thing that I find interesting, and that is very different from what I'm used to, is that in the United States we give out lots of food samples. You can almost get sick from eating all the samples. Here, however, the exhibitors from other countries give a lot of beer and wine away, but not food itself. I find it very difficult to understand how people can buy things they can't taste.

In our exhibit, we are baking our cookies right on the spot—and we always have a crowd. People love to taste a fresh baked product and freshness is a key marketing point in a country that is attuned to marketing every day.

Q: What made you decide to get into exporting at this particular time?

Mahan: I was approached by TransWorld Commodities, which is located in Cedar Rapids, Iowa. I wouldn't have even considered getting into exporting without the help of someone knowledgeable in that area, someone with agents overseas, who knows about the money exchange and how to ship and so forth. Together, by combining my company's expertise with TransWorld's expertise, we have been able to put together an export program.

Basically, TransWorld acts as an agent broker for us. They got us into this show and made all our travel arrangements. They also handled the translation and preparation of our promotional literature and did other public relations work for us over here.

TransWorld also has the teletype facilities that you need for communicating with foreign buyers—and a large staff that is familiar with exporting. They also have a shipping company that they work with very closely. I would not be able to do without them.

My advice to any U.S. firm interested in getting into exporting, regardless if that person is in the food business, is to work through a company that already has export experience. Tell them about your product—and then see if you can work together. ■

The interviewee is the co-founder and co-owner of the Flour Pot Cookie Company, Inc., of Minnetonka, Minn. Tel. (612) 369-9082. Her main product line on display at this show was cookie dough.

Winning Exhibits: How You Can Make Your Exhibit Stand Out

By Jonathan "Skip" Cox

Three out of four visitors to your trade show exhibit should remember stopping by or getting some literature several weeks after the show is over. After that their memories will get fuzzy unless you follow up on their inquiries with literature or a personal sales call. With these reminders, you can boost recall to about 14 weeks.

Those are the averages, based on years of research on exhibit impact by our company. But there are always a few firms that manage to exceed the averages, that come up with exhibits that stick in the mind for months. What are these firms doing that makes their exhibits so memorable? More important, what should your company do to make sure it is getting the maximum impact from its show dollars?

Booth Personnel Crucial

The performance of booth personnel is probably the key factor affecting the success of your exhibit.

The average exhibit achieves person-to-person contact with 61 percent of its potential audience. We refer to that percentage as the *exhibit efficiency*.

However, skilled exhibitors—who make a point of achieving a high degree of person-to-person contact with their potential audience—can often boost exhibit efficiency to 70 percent or better.

Your booth personnel have got to hustle in order for you to get the maximum return on the show dollars you invest. The extent of their person-to-person contacts will also enhance the memorability of your exhibit, and create an impression that is sustained over a longer period of time.

It Pays to Advertise

The existing level of awareness or recognition for your company can also be a strong influence on the degree to which visitors remember visiting your exhibit.



For example, companies considered leaders in their industry or field and companies that spend more money advertising generally have from 5 percent to 10 percent higher memorability than the average for all exhibitors.

The memorability of small or new companies in a particular field or industry generally is from 10 percent to 20 percent lower than the average of all exhibits.

How To Choose Your Exhibit Type

Your exhibit structure and your operating strategy (demonstrations, attention-getting techniques, etc.) must be designed to selectively attract only those visitors having a high interest in your products.

Our research has shown that visitors prefer an actual demonstration as the most effective method for presenting a product.

Informal product demonstrations are defined as one-on-one demonstrations of the product by sales personnel. Formal demonstrations are classified as those presentations using either professional or in-house narrators, prepared scripts and generally involving elaborate demonstrations of the product.

Both types of demonstrations can give your exhibit higher-than-average memorability because they will involve those people with an interest in your products, and this helps reinforce memorability.

Static displays are exhibits which employ no special attention-getting devices or demonstrations to attract visitors. They rely primarily on the interest in their products to attract visitors and person-to-person contact to convey their message.

Despite the old rule that says, "You need motion in your exhibit to attract visitors," well-designed static displays can be extremely effective in selectively attracting prospects.

But once again, your exhibit staffers need to be on their toes to make this

type of exhibit a success. They can't be standing in a corner talking about what happened last night. They must be stationed near each of your product displays, and they must be alert to talk to those prospects visiting your exhibit. You also must make sure that there are sufficient personnel on duty

to talk to all visitors attracted to the exhibit.

Special attention-getting techniques—such as giveaways—can be a big draw at an trade show, but they can backfire if they over-attract, or if they encourage booth personnel to relax.

How To Make Your Exhibit Memorable

What makes a winning exhibit?

Based on our evaluation of exhibits for the past 20 years, we've identified seven factors which control the level of impact you can create. These can be classified as controllable and uncontrollable factors. They are:

Controllable factors—Size of exhibit; approach that is used (demonstrations, static display, attention-getting techniques, etc.); design and color; and booth personnel.

Uncontrollable factors—Level of interest in your types of products; level of awareness/recognition for your company among the audience; size and approach taken by other exhibitors.

Controllables

Size of the exhibit is one of the most important controllable factors in creating an impact. There is a direct relationship between the overall size of a show or a pavilion and the size of the exhibit needed to make the most remembered exhibits list. For purists, the regression equation for determining the amount of space required to generate maximum recall is:

$$\text{Exhibit space} = 0.0075 \text{ times size of show in net square feet plus } 720 \text{ square feet.}$$

To illustrate, if you are exhibiting in a pavilion measuring 100,000 net square feet, the amount of space needed to generate maximum impact is 100,000 times 0.0075 plus 720—or 1,470 square feet.

The approach you use to generate traffic to your exhibit also will affect recall. In a separate study of visitors to over 500 individual exhibits, we found that formal and informal product demonstrations were remembered by 80 percent and 79 percent of the visitors, respectively, eight to 10 weeks after the show.

Static displays generated a 71-percent recall among visitors while exhibits using special attention-getting techniques had an average recall of 67 percent.

The role color and design play in making exhibits memorable varies in importance from one company to another.

Design is always a factor in terms of layout for good traffic flow and optimum amount of space. However, it varies as a factor in terms of exhibit impact.

Your exhibit personnel play a relatively minor role in exhibits' memorability. However, our studies have shown that they are indirectly important because they reinforce a visitor's memory. Exhibits that achieve a high degree of person-to-person contact have higher memorability among their visitors than those that don't.

Uncontrollables

The level of interest in the types of products you exhibit is a function of the nature of the show audience. Thus, it is a factor over which you have virtually no direct control. However, it is an extremely important factor to consider when making decisions about participation in a show.

In studies we have done of the 20 most remembered exhibits during a recent year, the main reason people

remembered 17 of them was because of their interest in seeing those types of products.

Naturally if a relatively small part of the audience is interested in your products, it is very difficult to become a most remembered exhibit. Product interest is a "natural drawing card," so to speak, and without it you will find it very difficult to generate maximum impact on a cost-effective basis.

Awareness is another important factor in determining the impact you can make at a show. It is an uncontrollable factor to the extent that the level of awareness or recognition for your company at the time of a show has to be built up over a long period of time. There is nothing much you can do on a short-term basis to control the awareness level.

The awareness/recognition factor is not easy to measure. We have done research that indicates that exhibit recall is higher when there is a high degree of company awareness among exhibit visitors.

Finally, if your exhibits don't have the space or produce an extravaganza, that is the uncontrollable factor that some other firm is using to top you this year.

If other exhibitors turn up with more space or produce an extravaganza, that is the uncontrollable factor that some other firm is using to top you this year.

Next time you could turn the tables.

The author is vice president of Exhibit Surveys, Inc. of Middletown, New Jersey. Tel. (202) 741-3170.

For example, suppose you have a pretty young lady give away ice cream samples or candies or the like. While your giveaway may pull in some visitors with an interest in buying your company's products, you will also be attracting people who are only interested in the goodie itself.

Other types of attention-getting devices—particularly entertainment attractions—sometimes encourage sales personnel to rely on them to do their selling job. Also, personnel are often as intrigued with the attention-getting techniques as visitors, which keeps them from doing their jobs.

But once you know the pitfalls, you can make attention-getting techniques work to your advantage. For example, instead of having a pretty young lady give your goodies away, have your sales personnel do it. They can look for good customer prospects as visitors come through the line. Then they can introduce these prospects to one of your other sales people who is standing by.

What type of exhibit will work best for you?

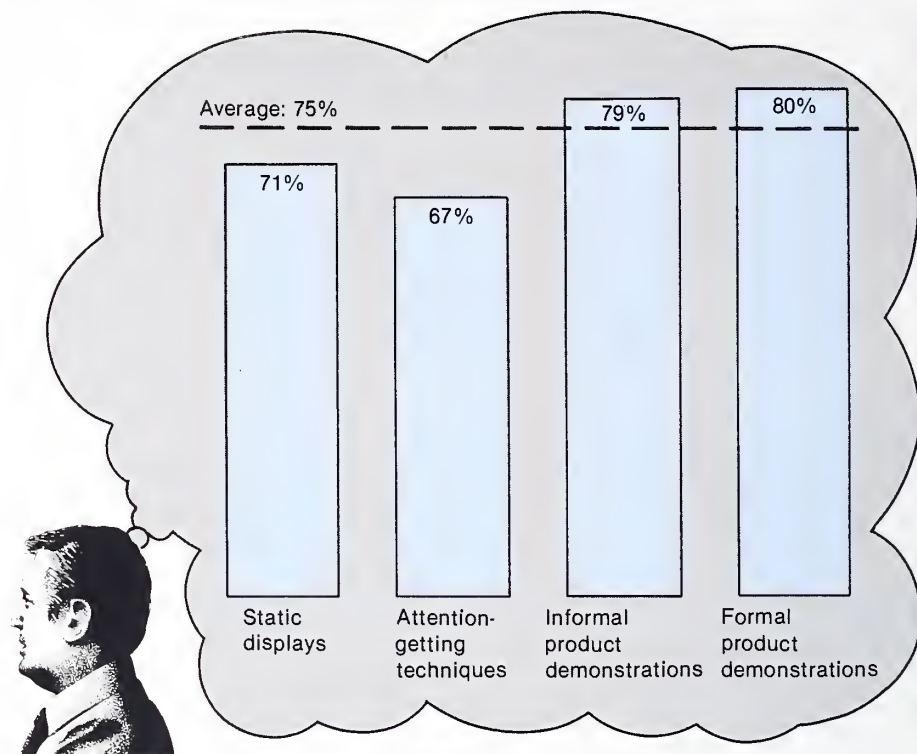
Generally, our research suggests that if a product can be demonstrated, it should be demonstrated.

If you are introducing a new product or want to make a big push with an existing product, then you should consider a formal demonstration or presentation of the product as opposed to an informal demonstration.

If you can't demonstrate or present your product easily, then a static display emphasizing person-to-person contact is best if there is a fairly high level of interest in the product to begin with.

If the level of interest in your product is relatively low, then you may want to go with a special attention-getting device in order to generate exhibit interest.

Demonstrations Generate Greatest Exhibit Recall



Exhibits Are Worth Extra Effort

Exhibits probably have a greater memorability and longer retention time than any other type of advertising media—because they usually involve visitors in some way.

Exhibits can appeal to all senses: sight, sound, smell, touch and

sometimes even taste. Furthermore, and probably most important, visitors often have direct personal contact with a representative from the company.

When you follow up promptly on exhibit inquiries with personal sales calls and literature, you have really gone a long way toward making your product stand out in buyers' minds. ■



Argentina Negotiating Trade Pact With Cuba

Argentina is in the process of negotiating a trade pact with Cuba in an effort to reduce dependency on the Soviet Union as a grain market. The agreement provides for an annual credit line of \$200 million for the next three years, against which Cuba is expected to purchase primarily grains. As a result, Argentina's grain exports to Cuba are expected to double in 1984/85 to about 800,000 metric tons. Argentina has also concluded trade agreements recently with Mexico and Poland. The volume of corn and sorghum trade with Mexico is expected to be about 1 million tons this year, with annual increases over the next two or three years.

Argentina's corn and sorghum sales to the USSR thus far in its 1984/85 (March-February) marketing year are behind last year's pace. Argentina is forecast to export a total of 11.2 million tons of coarse grains in 1984/85.—*Scott E. Bleggi, FAS. Tel. (202) 447-7700.*

Chinese-Korean Trade Expands

More than 182,000 tons of Chinese corn has been sold to the Republic of Korea since last May, reportedly for feed and industrial uses. This is the latest example of the rapid growth in Sino-Korean trade, which presumably is carried out through Hong Kong traders since the two countries do not have formal diplomatic relations. The short distance to Korea enables Chinese corn to be landed at a substantial savings (about \$20 a ton) under the C.I.F. price for U.S. corn.—*Scott E. Bleggi, FAS. Tel. (202) 447-7700.*

U.S. Captures Top Spot in French Cotton Market

The United States displaced the Soviet Union as the largest exporter of raw cotton to France during 1983/84. U.S. exports totaled 154,000 bales, more than a threefold increase from 1982/83. The sharp rise was attributable to a short crop in the Soviet Union, which traditionally accounts for about half of total French imports. Although French import demand remains weak due to a troubled economy, U.S. exports in 1984/85 should remain near last season's high level in light of continued limited export availabilities in the Soviet Union.—*Gordon Lloyd, FAS. Tel. (202) 382-9524.*

EC Pushing Barley Exports

A big barley harvest coupled with growing pressure to intensify wheat feeding likely will encourage the European Community (EC) to export record quantities of barley in 1984/85. As of mid-August, export authorizations were four times the level issued in the past several years on the same date. At this rate, barley shipments could be sharply larger than the estimated 2.6 million tons of 1983/84. With Turkey and Syria virtually out of the barley export market and limited Canadian supplies available for export, the EC should face little competition in key Mediterranean countries.—*Scott E. Bleggi, FAS. Tel. (202) 447-7700.*

France Stepping Up Wheat Sales to Soviet Union

Record 1984/85 Soviet wheat imports are proving to be a bonanza for French wheat exporters this year. France reportedly has sold the Soviet Union between 3.7 and 4.3 million tons for delivery by February 1985. With France having record large wheat supplies, additional sales are likely for the balance of the 1984/85 marketing year. In recent years, French wheat trade with the Soviet Union has increased sharply, peaking in 1983/84 at nearly 3.5 million tons. However, the level of sales to date suggests that 1984/85 trade could easily reach a new all-time high.—*Ernest Koening, Agricultural Counselor, Paris.*

U.S. Gains in Portugal's Cotton Market

The United States has strengthened its position in the Portuguese market for cotton, supplying roughly a tenth of that used by mills in 1983/84. U.S. cotton exports totaled 69,000 bales, up nearly three-fifths from 1982/83. However, the percentage of the market held by the three leading suppliers—which also include Israel and Turkey—is declining because the deterioration of the escudo against other currencies is encouraging larger raw cotton purchases from other suppliers in Latin America and Africa.—*Mollie J. Iler, Agricultural Counselor, Lisbon.*

Natural Foods: Down-Home Products In a Big-Bucks Industry

By Robb Deigh

As America's baby boom generation turns from rock and roll to stocks and bonds, little has captured the imagination, energy and pocketbooks of that age group more than its concern for physical fitness.

And sweating alongside them on jogging trails and in mirror-lined health clubs from Bangor to Berkeley are their children, parents and even grandparents, all of whom make up a multibillion-dollar market for a wide variety of fitness products.

Good nutrition is a big part of that fitness boom. And last year, according to industry figures, Americans spent about \$3.3 billion for natural foods, natural dietary supplements, vitamins and non-food items, such as body-care products, books, appliances and cosmetics. Sales have risen more than eighteenfold from only \$180 million in 1970.

Sales from all outlets are expected to be \$5.3 billion by 1985 and possibly \$12 billion by the next decade.

During the 1970-83 period, the number of independent and chain natural food retailers also high-jumped from less than 4,000 to more than 8,000.

Proper Nutrition Helps Fight Disease

What accounts for the overall surge in natural food products sales? J. B. Cordaro, president of the Council for Responsible Nutrition in Washington, D.C., says, "People today believe that dietary supplements can make a difference in promoting health and fighting disease. Given an individual's lifestyle... they believe they may not be getting all the nutrients needed from their diet, so they choose to add a safety net with a nutritional supplement."

A number of studies support that belief among consumers. For example, a 1982 Senate-sponsored study linked improper diet to six of the 10 leading causes of death in the United States, including cancer.



Export Potential Good, But Figures Low Now

As an export industry, no one seems to have an exact figure on how much U.S. natural foods and dietary supplements are being sold overseas, but most say the figure is relatively low.

Bob White, publisher of *Natural Foods Merchandizer* magazine in New Hope, Pa., says, "It appears to be somewhat less than 5 percent (of the \$3.3 billion total last year)." However, he adds that the popularity of U.S. natural foods overseas has increased.

This is especially true in markets such as Great Britain, Japan, Hong Kong, Singapore, the Philippines, Taiwan and Australia, nearly all of whom also compete with the United States for sales of some natural food products.

Mike Spielman, editor of *Health Foods Retailing* magazine agrees, adding that it is a difficult overseas market.

"I think the potential is there for expanded sales," he says, "but the requirement and style for every country is different. [The market in] Britain is dominated by one health food manufacturer; and Germany and France are quite different in their likes and dislikes. For an American manufacturer, it can be a complicated business."

In an effort to boost sales of these products, U.S. exporters are participating in food shows worldwide. Last spring, for example, Brighton, England hosted the HELFEX '84 show which included eight U.S. exhibitors and 103 others from a dozen countries. Approximately 4,000 visitors from 30 countries came to the show.

U.S. participants at the natural foods show said that a successful follow-up of all HELFEX trade leads could result in additional sales of more than \$1.3 million.



Unusual Shopping List at HELFEX

The products at HELFEX probably were not part of the usual shopping list of foods most buyers are accustomed to seeing at such events.

They included a dandelion coffee compound, high-fiber bran biscuits, lecithin granules, avocado nightcream, honeysuckle toning lotion and walnut shampoo.

As complex as the health food market is to consumers, retailers and exporters alike, so is the definition of "health food" itself, a term often confused with "natural" and "organic" foods. Even within the industry there is some disagreement.

However, most agree that health products generally include dietary supplements and vitamins. Natural foods are those with no artificial coloring or flavoring, no preservatives, no refined sugar or white flour and minimal processing.

No Federal Standards

The United States has not established legal standards for health foods. However, the Federal Trade Commission, worried about potential consumer deception, has tried to ban the use of the term "health food" in the advertising and labeling of any food. "Some people think light beer is a health food," laughs White.

"Minimal processing is a tough one," says Bob White. "Even washing a tomato you picked in your own garden is a form of processing." But he adds that retailers and consumers are calling for a more common sense approach by moving toward "total label disclosure" in which everything done to the product is spelled out on its label.

For the purist, eating "organic" food is still the way to ensure that products are without chemical fertilizers, herbicides and pesticides. But in most states it can be a buyer-beware market. However, some private groups have set up organic certification programs. Only Oregon, California and Maine have established legal standards for organic foods.

Act of Faith

"Not only do you have to ensure that the food was grown without chemicals, but you have to make sure that the land on which the food was grown had no chemicals in it from previous farming," says Spielman. "Mostly, it's an act of faith."

Among the faithful are the retailers themselves. For example, Marion Lee, manager of Sun & Earth, a natural foods store in Bethesda, Md., says, "We sell organic produce, flour, grains and dried fruits. The distributor we buy from says his produce is grown on virgin soil. There is no way you can really be sure."

White says that in many cases, soil analyses can be performed by government or private agencies. This, he says, can act as a safeguard for retailers and consumers alike.

Despite the lack of federal standards and loosely defined definitions as to what constitutes health foods, natural foods and organic foods, it appears that the industry is going to continue its steep upward climb. Gone are the days in which health foods were sold only in tiny, out-of-the-way shops.

"The whole thing started a while back with the hippies who generally had no business acumen," says White. "Many didn't do too well. Then came the businessmen with no consciousness of the natural food environment. It seems that they didn't do much better. It appears to take both skills to make it in this industry."

According to industry figures, only about 20 percent of U.S. natural food retailers operate between two and 35 stores. But they control about 54 percent of gross sales. Most other businesses operate from only one location as nearly all of them did in the early years.

However, what remains generally unchanged from the old days are the down-home store names; August Moon, Beautiful Day, Nature's Way, Vita Health and Home Rule (in Washington, D.C.) are typical examples.

Today's retailers, with their understanding of what health-conscious buyers want and a firm grip on the bottom line, are making it big in an industry that was once only on the fringe of America's huge agricultural market.

Some observers say they are surprised at the upsurge in health foods sales. But to those in the business, it is only natural. ■

The author is with the Information Division, FAS. Tel. (202) 382-9330.

Country Briefs

China

Grasslands Reportedly Are Deteriorating

Hard times lie ahead for China's livestock sector unless steps are taken to prevent deterioration of pastures, according to experts in that country's Ministry of Agriculture. They say sand, drought, erosion, insect and rodent pests are damaging about 670,000 hectares a year. Additional damage is caused by the primitive herding practices that prevail in many areas.

Compared with the 1950s, grass production per livestock unit has dropped by more than one-third and the average beef and mutton yield by 20 percent, according to press reports. Supposedly more than 10 million animals die annually for lack of feed.

Chinese officials say a host of changes are needed to improve their grasslands, including pasture rotation programs, seeding by air, trials of new grass varieties possibly from other countries, improved water management in the more arid grassland areas, better stocking rates and fertilization.

Australia and New Zealand have been particularly active in helping China with grassland improvement. In most cases, their projects have been aid grants and have included, beside the grassland projects, turnkey cattle operations, equipped research institutes, technicians and so forth.— *Norman R. Kallemeyn, Agricultural Counselor, Beijing.*

Japan

Thailand, China Compete for Corn Market

Both Thailand and China are expected to sell more corn to Japan in 1984/85, trimming the U.S. share of the market slightly from 1983/84's level of 98 percent.

The government of Thailand has been urging Japan to buy more Thai corn to help alleviate that country's trade imbalance with Japan. Trade sources indicate that Japan will be pressed to buy about 300,000 tons from Thailand this year.

China contracted to sell Japan 100,000 tons of corn for shipment during May-October 1984. About 5,000 tons arrived in Japan during the 1983/84 year. The quality reportedly is good and Japanese traders indicate that they will import an additional 100,000 tons during 1984/85.

To date, the weak yen vis-a-vis the dollar has not directly affected Japan's grain imports. However, feed millers are using lower cost ingredients, such as rye and tapioca pellets, where possible in order to minimize their cost of production.— *William L. Davis, Jr., Agricultural Counselor, Tokyo.*

Tunisia

Growth in Poultry Industry Could Spur U.S. Feed Sales

The poultry sector accounted for 71 percent of total industrial feed use in Tunisia during 1983. The major raw ingredients in poultry feed concentrates were soybean meal and corn, both of which were imported. At this point Brazil dominates the import market for soybean meal, but the United States is far and away the leading supplier of corn. The further development of Tunisia's poultry industry could benefit the United States, since it is likely to be a major supplier of the increased demand for feed.

There appears to be plenty of room for expansion in Tunisia's broiler production and marketing. For instance, while ready-to-eat whole roasted chickens are available, there have not yet been sales of individual ready-to-eat chicken pieces, a marketing technique which has proven successful in Morocco and other nearby countries.

Tunisia is self-sufficient in egg production. However, its neighbors, Algeria and Libya, could easily absorb any surpluses which Tunisia could produce in the near future.— *Thomas A. Pomeroy, Agricultural Trade Officer, Tunis.*

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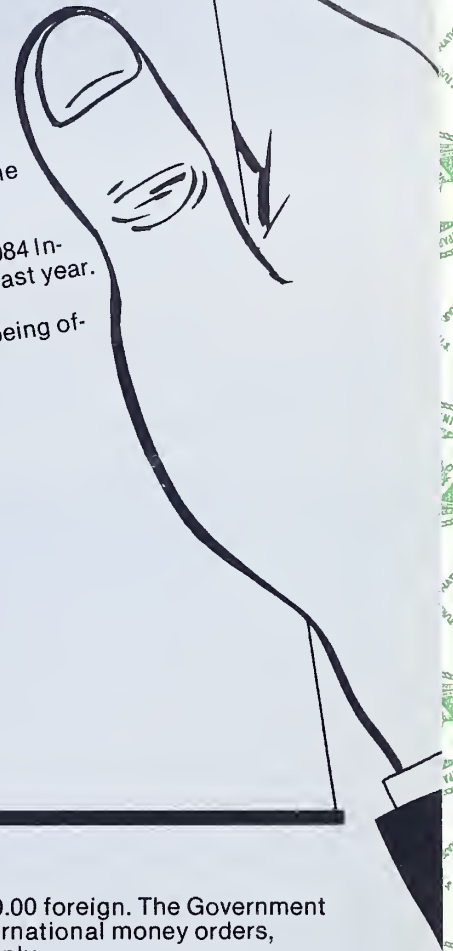
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